CHICAGO, ILL. - SILVIS, ILL. - LOS ANGELES, CAL,

CHROME CRANKSHAFT LOCOMOTIVE SALES CO.

MAIN OFFICE: 6010 SOUTH NEW ENGLAND AVE.

CHICAGO, ILLINOIS 60638

(312) 586-3030

CHICAGO BRANCH: (312) 646-3300 SILVIS BRANCH: (309) 755-6800 COMPLETE LOCOMOTIVE REBUILDING - SALES - SERVICE - PARTS

February 27, 1985

MASS AND FINE IAM

MAR 5 1985 -9 20 AM

INTERSTATE COMMERCE COMMISSION

Re: I.C.C. Filing

Washington, D.C. 20423

Interstate Commerce Commission 12th and Constitution Avenue N.W.

Attn: Mildred Lee, Room 2303

Dear Ms. Lee:

Enclosed please find two originals and copies of <u>Lease Agreements</u> which we request that you file and record with the Interstate Commerce Commission.

Parties

Lessor:

Chrome Locomotive, Inc.

6010 South New England Avenue

Chicago, Illinois 60638

Lessee:

LaSalle and Bureau County Railroad 53 West Jackson Blvd. Suite 532

Chicago, Illinois 60604

We are enclosing our check #9536, in the amount of \$20.00 payable to the Interstate Commerce Commission, to cover the fee for filing and recording.

Kindly return a filed copy of the Leases and receipt for filing fees to us at your earliest convience.

Very truly yours,

Stephen R. Meindl

Controller

SRM/me

THALLOWN, NO SAICH CONTRACTOR BUILDING COL

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> CHICAGO GARRON (BIS) PRESENCIO EHME EMMAN FROM DEMONDO

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Mar de Br CHARLAGE EDMINIAGE CERMISSIES

Interstate Commerce Commission Washington, D.C. 20423

OFFICE OF THE SECRETARY

Stephen R. Weindl Controller Chrome Locomotive, Inc. 6010 South New England Avenue Chicago, Illinois 60638

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 3/5/85 at 9:30am and assigned rerecordation number(s)./45% & /4583

Sincerely yours,

grall Id. 1.

Secretary

Enclosure(s)

MAR 5 1985 :9 20 AM

LEASE AGREEMENT

This AGREEMENT made and entered into this day of August by and between CHROME CRANKSHAFT LOCOMOTIVE SALES CO., HEREINAFTER REFERRED TO AS "Lessor", and LASALLE & BUREAU COUNTY RAILROAD, a corporation, hereinafter referred to as "Lessee".

- 1. LEASE AGREEMENT: Lessor hereby leases to the Lessee, and Lessee hereby rents from Lessor the following described equipment, to wit: One Tractive Effort Booster Unit EX-L&N hereinafter referred to as "Locomotive".
- 2. DELIVERY: Delivery of said locomotive shall be accepted on the tracks at Lessor's plant in Silvis, Illinois, and it shall be the obligation of the Lessee to return said locomotive to Lessor's plant in Silvis, Illinois upon termination of this Agreement. Any reasonable and normal expenses incurred by the Lessor in delivering said locomotive to the Lessee shall be paid by the Lessee.
- A) Said locomotive before delivery, shall be inspected by the Lessor and Lessee and statement made and jointly signed as to its condition with exception, if any, taken thereto. If any supplies shall be furnished with said locomotive, a memorandum thereof shall be made and signed by proper representatives of the parties hereto and attached to this contract, and such supplies or their equivalent in kind, or their value in money, shall be returned or paid to the Lessor by the Lessee when said locomotive is returned to the Lessor.
- B) Having given Lessee the opportunity to examine the locomotive, the Lessor accordingly, makes no express or implied warranty of any kind whatsoever with respect to the locomotive, and all warranties express or implied are specifically disclaimed, including but not limited to: merchantability, fitness for use, design or condition of locomotive, the quality or capacity of the locomotive, the workmanship in the locomotive, compliance of the locomotive with the requirements of any law, rule, specification or contract pertaining thereto, or latent defects. Lessee expressly agrees that it is leasing the locomotive "as is", and no defect or unfitness of the equipment shall relieve Lessee of its obligations to pay rent or otherwise perform under this lease.

TERM: Rental term under this Lease shall commence on the 1st day of August, 1984 and shall remain in full force and effect for a minimum of 12 months and fter that date either of the parties hereto shall terminate same upon serving 30 bys notice in writing to the other party hereto of its desire to terminate same.

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A) lessee shall have the option to terminate this lease within the first 90 calendar days of the term of this lease, if the Lessee determines the Tractive Effort Booster Unit (locomotive) does not meet the Lessee needs. The Lessee shall pay a minimum of 90 days rent. If within the first 90 days of the term of this

lease, Lessee terminates, an additional \$20 per day shall be charged.

4. RENTAL PAYMENT: Commencing on the 1st day of August, 1984 Lessee agrees to pay to Lessor for the use of said locomotive, the rate of \$55 per calendar day to be paid promptly at the beginning of each calendar month. This lease shall be your authority to pay. No invoices shall be sent. Interest at 11/2% per month shall become due and payable for any payments received after the due date.

Payments will be mailed to:

CHROME CRANKSHAFT LOCOMOTIVE SALES CO. P.O. Box 95456 Chicago, Illinois 60694

- A) It is the intention of the parties that the rent provided herein shall be net to Lessor, and that all state, local, sales, use and occupation tax applicable to the rental of the locomotive as herein provided shall be paid by the Lessee and it is understood and agreed that the same may be invoiced by the Lessor to the Lessee.
 - 5. MAINTENANCE & REPAIRS: Lessee agrees to keep and maintain said locomotive in good and proper repair and condition, at its own cost and expense, and said locomotive shall be returned upon the termination of this Agreement to the Lessor in as good condition as when received, ordinary wear and tear excepted.
 - A) The Lessor or its authorized representative shall have the right at all times to inspect said locomotive and shall be given convenient access to the same by the Lessee in order that the Lessor may assure itself that said locomotive is being maintained and kept in a satisfactory manner. If said locomotive shall be destroyed or damaged to such an extent that in the judgment of the Lessor it cannot be repaired and put in serviceable condition, the Lessee hereby agrees to pay the Lessor a fair market value of \$80,000 being reduced by the amount of each monthly payment made, for said locomotive.
 - B) Lessee shall maintain a record as required by the Lessor of all maintenance performed by it on the locomotive and shall submit such record for examination and reproduction by Lessor.
 - 6. INSURANCE: Lessee will furnish Lessor with a Certificate of Insurance.
 - 7. DEFAULT: If the Lessee shall default in any of the payments herein agreed to be made by it, or in any of the obligations or agreements to be made or fulfilled by it as herein provided, or if in the judgment of the Lessor said locomotive is not being maintained satisfactorily, the Lessor may at once take possession of said locomotive and thereupon this Agreement shall cease and terminate, but such termination shall not affect the payment of any sums which may be due or become due hereunder from the Lessee to the Lessor.
 - 8. <u>INDEMNIFICATION</u>: Lessee will protect, indemnify, hold and save harmless the Lessor from and against all claims, demands, damages, suits, losses, costs, attorney fees, liability awards, judgments, and expenses of whatever nature or loss or damage to property or injury or death to persons resulting in any manner directly or indirectly from use or operation of the locomotive covered by this Lease.
 - 9. <u>TITLE</u>: Title to the locomotive shall remain with Lessor at all times, and Lessee shall have no right, Title or interest herein except as expressly set

forth in this Lease. In furtherance thereof Lessor may file or record this Lease, a financing statement and/or any other relevant documents with respect thereto, and Lessee hereby agrees to execute any such documents presented by Lessor to give notice to any interested parties of Lessor's interest in the locomotive. Lessee, at its expense, will protect and defend Lessor's Title to the equipment and will keep the equipment free and clear from any and all claims, liens, encumbrances and legal processes of Lessee's creditors and other persons.

- 10. ASSIGNMENT OF LEASE: Lessee shall not sublet or loan the locomotive without prior express written consent of the Lessor.
- 11. MISCELLANEOUS PROVISIONS: This Lease shall in all respects be governed and construed in accordance with the laws of the State of Illinois.
- A) This Lease constitutes the entire agreement between Lessor and Lessee with respect to the subject matter of the Lease. No term or provision of the Lease may be waived, amended or terminated except by a written agreement signed by both Lessor and Lessee.
- B) Any notices required hereunder shall be sent by certified mail, return receipt requested, or delivered by hand to the parties at the following address.

TO LESSOR: Chrome Crankshaft Locomotive Sales Co.

9th Street

Silvis, Illimois 61282

ATTN: Gary C. Hill

TO LESSEE: LASALLE & BUREAU COUNTY RAILROAD

12800 S. Butler Drive, Shed 2 Chicago, Illinois 60633

IN WITNESS WHEREOF, the parties hereto have executed this LEASE AGREEMENT in duplicate the day and year shown above.

CHROME CRANKSHAFT LOCOMOTIVE SALES COMPANY, INC.

BY:

GARY C. HILL, PRESIDENT

ATTEST:

Stephen R. Meindl, Controller

BY: /ve Da Sule

TITLE Sn. V.P. From + admin

ATTEST: Timothy J. Morgan

TITLE This Finance + Administration